

**MINUTES OF THE  
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING  
MONDAY, FEBRUARY 9, 2009, 2:00 P.M.  
Room 445, State Capitol**

Members Present: Sen. Howard A. Stephenson, Co-Chair  
Rep. Merlynn T. Newbold, Co-Chair  
Sen. Lyle W. Hillyard  
Sen. D. Chris Buttars  
Sen. Karen W. Morgan  
Rep. Tim M. Cosgrove  
Rep. Francis D. Gibson  
Rep. Bradley G. Last  
Rep. Rebecca D. Lockhart  
Rep. Ronda Rudd Menlove  
Rep. Marie H. Poulson  
Rep. Phil Riesen

Members Absent: Rep. Lorie D. Fowlke  
Rep. Kevin S. Garn  
Rep. Gregory H. Hughes

Staff Present: Ben Leishman, Legislative Fiscal Analyst  
Patrick Lee, Legislative Fiscal Analyst  
Karen C. Allred, Secretary

Public Speakers Present: Patti Harrington, Superintendent, Utah State Office of Education  
Todd Hauber, Associate Superintendent, Utah State Office of Education  
Madlyn Runburg, Museum of Natural History, Representative iSEE  
Shirley Ririe, Representative, POPS  
Michael Peterson, Executive Director, Utah Education Network  
Judy Park, Associate Superintendent, State Office of Education

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Stephenson called the meeting to order at 2:18.

**1. Minutes**

There were no minutes to be approved.

**2. FY 2010 Base Budget Overview & Funding Considerations**

Analyst Ben Leishman distributed the Budget Brief: FY 2010 Base Budget Tables, which are tables that detail by line item all of the different spending categories. Additional detail is available at the committees request. The Briefs are set up with the line item at the top of the page with a brief

description, then a Budget Detail that explains the FY 2010 budget, and a Legislative Action section that provides detail on what has historically been done for each line item to approve it for the next fiscal year.

***a. Minimum School Program***

Mr. Leishman distributed a spread sheet and explained that there is a column showing what was appropriated in FY09, how it was revised in S.B. 4 for FY09, and the FY2010 base budgets. Nothing was changed in the WPU driven programs, with the same base as was allocated, but enrollment growth will change the WPU programs, and an action from the Legislature will be needed to fund enrollment growth. In the Related to Basic School Program (not WPU driven) some changes have been made in Local Discretionary, The School LAND Trust Program, Educator Salary Adjustments and The Local Determined Reduction line items. A consideration needs to be made by the committee whether to leave an on-going negative in the Locally Determined Reduction line item, which gives school districts flexibility in allocating reductions; or if not, the only way to get rid of the negative is to reduce other programs.

Sen. Stephenson commented that to carry a negative allocation from year to year doesn't make sense. If we want school districts to have flexibility, one way to handle the negative allocation would be to shift it up as a negative to Social Security and Retirement.

Rep. Newbold wanted clarification if the flexibility of Section 146 is only applicable in a given year where there is a reduction unless specific action was taken by the Legislature. Mr. Leishman responded that the statutory provisions on the local discretionary reduction were focused on Section 146, which indicates a shortfall in the Uniform School Fund. If the schools were to remain flexible, statute would have to be rewritten.

Sen. Buttars asked if the details on the Flow Through Line, and the Employee Expenses he requested from The USHE at an earlier meeting was available. Todd Hauber, Associate Superintendent, USOE responded that those programs were not going to be discussed today, so he did not bring them, but will to the next meeting.

Mr. Leishman reported that in the Voted and Board Leeways section there is a negative in the Voted Leeway and Board Leeway line items, due to anticipated reductions in local revenue being generated within the school districts.

Sen. Stephenson asked if that was associated with the expected decline in values. Mr. Leishman responded that it was in the school districts participating in those programs. Sen. Stephenson commented that usually there is growth, which reduces the State commitment, unless the formula is growing. Mr. Leishman responded that was the case, and in the enrollment growth cost estimate there is an increase in State funds associated with the State guarantee in those two programs. Sen. Stephenson clarified that with the Voted and Board Leeway, if property values drop, there is a drop in the taxable value, the certified tax rate automatically increases to produce to same revenue. Sen. Stephenson asked why there is a negative number. Mr. Leishman will find out for the next meeting. Sen. Hillyard commented that he thought Voted Leeway did not fluctuate, if the State collected less

they would have to have more to pay the guarantee. Mr. Leishman responded that the rate is a fixed amount for a WPU.

Mr. Leishman reported that the One-Time Programs, on the spread sheet are all discontinued in FY10. He explained the revenue sources at the top section on the spread sheet are revenue sources.

Rep. Newbold asked if enrollment growth shows up on the consolidated budget form so we know how much money is required. Mr. Leishman responded that in a normal year he does a base budget bill, he would present to the committee the base budget as in the current bill which includes enrollment growth. Since a base budget was not done this year, enrollment growth would be funded in the final bill, so action has not been taken yet.

Sen. Stephenson asked if he knows the cost of that. Mr. Leishman responded that the total estimate is about \$74.2 million, using the \$13.2 million Basic Levy offset and \$47.9 million is in the Basic Program, with increases some programs in the Related to Basic School Program. Sen. Stephenson asked if we are starting out in the hole, assuming that we are funding that growth. Mr. Leishman responded that was correct.

Sen. Hillyard commented that he was under the impression that \$93 million was needed to fund new growth in Public Education this year. Mr. Leishman responded that was the high estimate, and he excluded the \$13.8 million required for the Voting Board Leeway rate change. In prior years where there have been revenue short falls, the rate change has been delayed a year, and basically weren't required to pay it. Sen. Hillyard commented in response to the question he is asked frequently about why they are asking for 15 percent when they only need 12 percent. The growth issue is the reason, because if they only take what is needed, they don't have money left for growth, utilization of medicaid, inflation, health insurance and other issues. He also wants the committee to know that every committee finds new revenue sources and reallocate them. If funds are reallocated in the committee, that will be credited to the committee as part of the back fill. He has no idea yet what bail-out money will be coming, of if he will know by the end of the session.

Sen. Stephenson commented to the Education Community, concerning how growth is funded, if there is any inclination to not fund it, and let the districts accommodate that, he would like to know if there is agreement on the disproportionate impact that would have on the districts.

Mr. Leishman commented that where most of the WPU programs are based on student enrollment counts, we might be able to get by one year not funding growth, but do we get WPU's next year.

Rep. Last asked if you don't fund the growth, isn't that the same as reducing the WPU. Mr. Leishman responded, yes if new WPUs were adopted. Rep. Last responded that we would have to adopt new WPU numbers, because if a new district is growing, the WPU has to be funded. Adjusting the WPU or funding the growth are the same.

Mr. Leishman reported that the Beverly Taylor Sorenson reduction, in the One-Time Programs box, needs to have discussion on whether to reduce the number of schools visited, or reduce the number of years.

Sen. Stephenson asked if they could leave it up to the Board to make that decision. Mr. Leishman responded that they could.

Mr. Leishman reported that the committee needs to look over the brief and be ready to adopt the Basic Rate, discuss enrollment growth, consider delaying the Voted & Board Leeway rate change, determine the distribution of ongoing budget reductions and consider the ongoing impact funded in FY2009.

***b. School Building Program***

The School Building Program is divided into two programs that are appropriated through the Legislature: The Capital Outlay Foundation Program and the Enrollment Growth Program. The table on page two shows the changes in these programs. The budget reduction was taken entirely from the foundation program and not the enrollment growth program, and the committee will need to discuss if this is how they want it appropriated, or if they would rather take the reduction more equally between the two programs. The Committee should review this brief and be ready to adopt the ongoing base budget for the School Building Program.

***c. Utah State Office of Education***

Analyst Patrick Lee reported that The Utah State Office of Education receives approximately 86 percent of their budget from Federal revenue, and the Uniform School Fund provides approximately 10 percent of the total budget. The table on page four provides detail on the remaining revenue sources for USOE, as well as the major expenditure categories, operating division budgets.

A newly proposed line item to be called "Utah State Office of Education -- Initiative Programs" is designed to help track legislative initiative program monies administered through or by the USOE. The table on page five shows base budgets of items that are ongoing. The committee will need to approve the creation of this new line item.

The USOE operates one Internal Service Fund program, The Office of the Superintendent--Indirect Cost Pool (ICP). The ICP funds those programs and individuals who administer The USOE. The budget detail table on page six includes the revenues and expenditures, and the rates that will need approval by the subcommittee, 12 percent for restricted funds and 16 percent for unrestricted funds.

***d. State Charter School Board***

The Uniform School Fund provides approximately 11 percent of the total revenue supporting the Charter School Board, and approximately 86 percent was passed on the State's charter schools in 2008. The Analyst recommends the committee approve the F 2010 base budget for the State Charter School Board as shown in the budget detail table on page seven.

***e. Educator Licensing***

This brief was discussed in a previous meeting. The Analyst's recommendation is that the Legislature adopt the base budget presented in the budget detail table on page eight of the brief and also the fee schedule.

***f. Child Nutrition Programs***

The changes to the base budget were minimal because State funds are minimal for this program, which are composed mostly of Federal Funds and Dedicate Credits revenue. The Analyst recommend that the committee approve the base budget on the budget detail table on page nine.

***g. Education Contracts***

Reduction were taken as shown on the budget table on page 10, and would only occur in the Corrections Education contracts with the local school districts affected.

***h. Fine Arts Outreach***

The Fine Arts Outreach is divided between three programs, the POPS, which is the largest, the Requests for Proposals and the Subsidy Program. The recommendation is for the committee to adopt the ongoing base budget as detailed in the table on page 11. In the case of further required reductions, or to mitigate the impact of reductions already made, the Legislature may consider eliminating the ongoing funding for the RFP program.

***i. Science Outreach***

The Science Outreach base budget is outlined on the table on page 12. The largest appropriation goes to the Informal Science Education Enhancement. The recommendation is for the committee to adopt the ongoing base budget and if further reductions are needed, consider eliminating the ongoing funding for the RFP program.

Mr. Leishman reported that if the ongoing funding needs to be cut in either the POPS or Science Outreach RFP programs, you would basically be eliminating funding for groups that have no anticipation for ongoing funding, since they have to apply each year for a grant.

Rep. Newbold asked if there is a list of those groups in case that is an action that needs to be taken. Mr. Leishman responded that in the POPS program there is really only one provider in the RFP pool, which is Spy Hop; and the Science Outreach has six participants. Rep. Newbold asked if eliminating the RFP process means there are certain providers funded every year and additional monies that are set up in an RFP to add additional providers. Mr. Leishman responded that she was correct. Both the POPS and iSEE programs have ongoing funding and are evaluated every four years to see if the program will continue. The RFP are annual grants that have to be applied for every year, and they are more regional, they don't have a state wide mandate. Rep. Newbold asked if there was a dollar amount of RFP's were eliminated. Mr. Leishman responded that the Science Outreach it will be \$174,600 and the Arts would be \$67,900.

Rep. Gibson requested a response from the POPS and iSEE representatives on what effect eliminating the RFP positions would do to the functionality of their program. He asked if the RFP helps growth and cutting the RFP cuts growth of the POPS or iSEE programs.

Sen. Stephenson asked if they were talking about growth, or elimination of new programs. Mr. Leishman responded that eliminating funding would mean that the programs that are in the process of growing into a state wide outreach would no longer have money to do so. Sen. Stephenson asked if they would continue to grow as they are. Mr. Leishman responded that they would be eliminated totally. Sen. Stephenson responded that they could be brought back in a future year to try again to become state wide.

Sen. Hillyard commented that the RFP program was done to prevent the subcommittee listening to so many groups. The committee could cut their funds and redraft them for future funding and that a one or two year hiatus would not be detrimental to the process they were going through. Another possibility would be to reallocate the money back to cover the cuts in the major program, because they have been established into long term funding. Sen. Hillyard asked Mr. Leishman to check with the staff from the Economic Development subcommittee to see if they are providing funding for these same RFP programs. Mr. Leishman responded that he thought there was some cross correlation.

Rep. Reisen asked if Mr. Leishman could give him a number of how far in the hole the base budget is beginning the 2010 process. Mr. Leishman responded that student growth is \$74.2 million, which is a new cost that has not been funded. We can reduce the budget or reduce the amount of the WPU, to fund student growth. The ongoing reduction made in this general session in Education programs is \$194.1 million, plus an additional \$75 million, which is the three percent ongoing reduction taken in the Special Session. Some of those have been reallocated, but in the Minimum School Program, the ongoing Locally Determined Reduction needs to be filled, so we will have to find 7.5 percent.

Sen. Morgan asked if the RFP amounts could be transferred into the POPS and iSEE programs. She would like to know from the people who represent these programs, how they feel about the RFP reduction. She also asked what percentage cut was taken by individual programs listed under the USOE, on page five of the Budget Brief. Mr. Leishman responded that he will get that information for her.

Sen. Stephenson asked if the POPS and iSEE organizations would be prepared to respond to these questions later in the meeting.

Rep. Gibson responded that the numbers just given to Rep. Reisen are just under \$350 million, but that is assuming that what is needed is to restore everything to its current state. Mr. Leishman responded that was correct.

***j. Utah Schools for the Deaf and the Blind***

Mr. Lee reported that this brief shows the FY10 base budget in detail on page 13. Legislative action

needs to be taken on the USIMAC with one time funding and to consider that it become ongoing funding. The Libby Edwards building purchase has been approved in the Capital Facilities Subcommittee.

***k. USDB -- Institutional Council***

The Institutional Council receives the interest earning from the permanent land grant. The only Legislative action is for the subcommittee's approval of the 2010 base budget.

***l. Subcommittee Discussion***

Sen. Stephenson asked if the State Office and the organizations affected by the POPS and iSEE Outreach programs would respond to the questions asked in these funding considerations.

Patti Harrington, Superintendent, USOE expressed appreciation to the Analysts and asked Todd Hauber, Associate Superintendent, USOE to respond. Mr. Hauber reported that on the State Office of Education's line item, they recognize the need for the reduction and have already started the reductions of 2009. They are looking at the ongoing reductions that can be implemented now to carry them into 2010. The next recommendation, which is to break out the pass through items as title initiative programs line item, will help to clarify discussions in the future, both on the reduction side, and on an increase side so that funding is identifiable. The Indirect Cost Pools will establish the rates that they will negotiate with the Federal Government, so they really need these rates to be approved.

Rep. Newbold asked if Mr. Hauber would clarify restricted and nonrestricted. Mr. Hauber reported that the Legislature sets a rate for the USOE to charge indirect costs to Federal programs. Rep. Newbold asked if we receive a \$50 million grant, USOE is asking for 12 percent of that to manage the program. Mr. Hauber responded that she is correct, they use it for indirect costs and it is Federal dollars, not State.

Sen. Hillyard asked the committees to do a 7.5 percent reduction for 2009, and a 15 percent reduction for 2010 and he asked Mr. Leishman if these numbers really reflect the magnitude of that reduction. Mr. Leishman responded that action was taken were for 2009 ongoing reductions, but will have the 2010 reductions ready for the committee to look at on the Wed. and Thurs. meetings. Sen. Hillyard also wants to make sure the committee has a priority list of reallocating any back fill funds.

Sen. Buttars asked if we have to double what we have been doing as far as cuts. Sen. Hillyard responded that was correct.

Sen. Morgan asked if there was a list of each program and what percentage cut was received in 2009 and carried forward to 2010. Mr. Hauber responded that Mr. Leishman prepared a sheet at an earlier meeting. Sen. Morgan asked if it was a 7.5 percent cut, or 10 percent. Mr. Hauber responded that it was actually less. The intent of the committee was to break out the programs impacting classrooms and have them take a lower reduction. They actually received some add backs and were lower in 2009. Sen. Morgan requested that staff prepare a report for the State Office programs so she can see

where they were in 2008, 2009 and 2010. Mr. Leishman responded that he could, but looking on the brief on page five, he sees that the only program having the ongoing amount as appropriated last year is the Up Start program, which received a one-time component that was eliminated during the Special Session.

Rep. Reisen asked Superintendent Harrington if Public Education was cut 15 percent, how will it negatively impact Public Education in this State. Superintendent Harrington responded that 85 percent of the work is labor intensive, and it will for sure affect the classroom, by cutting teacher salaries or increasing class size.

Sen. Buttars commented that we are not changing the paradigm, cutting here and there, things have to change. He suggested cutting the buses for High School students in the metropolitan areas. Sen. Stephenson responded that we could address that by formula and have the buses run longer routes, start pick ups sooner, and not leave anyone without a ride, it would just be more inconvenient. Sen. Buttars commented that some things will need to be eliminated.

Rep. Poulsen commented that programs affect rural areas different than metropolitan and would like State Board to comment on how some programs are vital for some districts and not necessary for other districts, and how we can structure the cuts to be beneficial for everyone. Superintendent Harrington responded that they can make an analysis on how certain programs affect the different districts, both those that involve the classroom and those that are removed from the classroom. They will have that ready for the next meeting.

Rep. Last commented that in Washington County constituents felt like changing bus routes for Kindergartners from a mile away to a mile and a half away would save a lot of money. Rep. Last asked if statute would have to be changed. He thinks mileage requirements have been made in statute.

Rep. Gibson commented that he agrees that just fixing isn't going to work, fundamental changes have to be made. He challenged USOE to find some of these fundamental changes.

Sen. Stephenson challenged staff and USOE to generate a list of areas that could make fundamental changes.

Mr. Leishman responded that statute did dictate the mileage for elementary and public schools.

Sen. Buttars commented that changing the mileage wouldn't change the paradigm, it wouldn't be enough of a change. He asked what the total dollars are for transportation. Mr. Leishman responded that it is \$74.4 million. Sen. Stephenson responded that the "to and from" school is funded all through the State. There may be more incentive for districts to arrange car pools and reimburse if the State were not funding. Superintendent Harrington commented that there is already some of that going on. She would be happy to put that information together for the next meeting. Sen. Stephenson asked if she could also put information together of areas that would lend themselves to re-evaluation of how things are being funded. Sen. Buttars asked the committee to consider changing the paradigm, not just cutting back.



Sen. Morgan commented that we should be examining every program, not just transportation, as to what its value is in relation to protecting the core program, keeping teachers in the classroom, and lower class sizes.

Rep. Last asked what the state funding is for Career and Technology Education. Mr. Leishman responded that there are two programs which support CTE. One is the add on which provides a WPU supplement and the total in the base budget is \$67.5 million. The program called the District Set Aside to help with equipment costs and that total is \$2.8 million.

Rep. Menlove asked if Superintendent Harrington was able to engage local school boards, districts, and superintendents keeping in mind local control and decision making. Superintendent Harrington responded that she could, it might be a pull-down menu of what local school boards would do if issued the 15 percent cut. Rep. Menlove commented that some solutions will look different to different school boards in different areas.

Rep. Cosgrove commented that cutting in different areas may be a universally deeper cut than other areas. He tries to balance the paradigm shift with the differing needs of the different districts. We may impact a school unknowingly harming them in a way that may be irreversible. Is there something that we oversee as a State, such as a test, and how that would affect education if a test was eliminated for one year.

Rep. Lockhart commented that the pendulum swings, and if we want a paradigm shift, we should take everything and put it above the line, set a standard, and let the district do their jobs, and resist all the line items that we think are important. We talk local control, but legislate and micro manage in so many ways. We need to come to terms with how the Legislature is managing education.

Rep. Hillyard commented that these cuts are painful. The target that needs to be reached is about \$380 million. Income tax collects approximately \$2 billion, to reach the \$380 million is almost an 18 percent increase in income tax, just for the Education subcommittee, if the hole were funded with an income tax increase. We need to try to find as much back fill as we can, all the committees are affected, and it can't be solved with a tax increase. Utahns expect the Legislature to be responsible in how revenue is spent and how programs are funded.

Sen. Stephenson commented that he has been asked by members of the State Legislature to see if there are areas within the State Office which may be duplicated by other agencies around the State, and if services could combined, either internally or by students. He would like Sen. Hillyard to look at that.

Madlyn Runburg, Utah Museum of Natural History, representing iSEE responded to Sen. Morgan's questions asked previously. RFP's were created for an organization to demonstrate their ability to provide statewide education program and to acquire outside matching funding for their program.

The six RFP line items organizations have been successful, but they, at this point, do not have the ability, or sometimes interest, in having statewide impact or funding.

Rep. Newbold asked if these RFPs are serving just certain areas of the state, and if so, will these areas be deprived of services that they don't get from statewide services. Ms. Runburg responded that the only RFP program that was exclusively serving a rural area is the Four Corners organization. They are localized and not statewide.

Sen. Stephenson asked if he is understanding that Ms. Runburg is saying that the RFP programs should be eliminated because they are not yet statewide. Ms. Runburg responded yes, even though they are fantastic programs, but the purpose of the iSEE Outreach is to find organizations that have the programs and funding to serve statewide. Sen. Stephenson asked if it would be more desirable to select programs that have more impact on teaching the curriculum whether they are at the RFP level or not. Ms. Runburg responded that she does not know of any organization that is serving teachers or students less than another. That is a standard that they are all operating at, otherwise they wouldn't be able to renewed for funding. Sen. Stephenson asked if she truly believes that all iSEE and POPS Outreach organizations, receiving State funding, have an equivalent effect of enhancing the core curriculum. Ms. Runburg responded that her personal belief is that they are all operating in close proximity to that standard.

Shirley Ririe, POPS organization responded that all of the iSEE and POPS Outreach all had to go through a trial period, even though there has not always been RFPs. They have had to wait until they could acquire state funding as well as matching funds, and have had to wait to apply. Sen. Stephenson responded that he wants to make sure that he is talking about not delaying the growth of the RFPs, but eliminating it. Ms. Ririe responded that in the POPS organization, even though they don't have funding from the State, they still have other funds, but the reach would be diminished. Ms. Runburg responded that was the case in the iSEE programs as well.

Sen. Morgan commented that cutting the RFP funding wouldn't cut the program entirely, it just put the programs on hold, but they can still function with the private funding. She asked if the permanent on-going programs go throughout the State and into the four corners area. Ms. Runburg and Ms. Ririe responded that both the iSEE and POPS program reach every elementary school and most middle schools across the State every year. Ms. Ririe added that they all work very hard to develop a sustainable core program. Sen. Morgan commented that it is important to protect the funding that we can for the on-going programs rather than fund the RFP programs that have not proven themselves yet. Ms. Runburg commented that she was correct and that the funding provided helps them advance proven programs. Ms. Ririe commented that she feels the same.

### **3. Education Bills**

Sen. Stephenson responded that there are no Education Bills today.

Rep. Newbold commented that she has a list of items that have been discussed that may be looked at to meet the targeted goal of 15% reduction. If any of the committee members need additional information about any of these items, let the staff know so they can get information for you by the next meeting. The items are: increase the general reduction and let local districts decide on how cuts are made; increase the general reduction and give the school board the discretion on how to distribute the money; reduce the value of the Weighted Pupil Unit; reallocate within the committee monies;

shorten the school year; eliminate the RFP for the Science and Arts programs; use some of the one-time money set aside last year, or rainy day funds; look at transportation reimbursement for High School and Kindergarten; look at the CTE funding; examine fund balances that exist within the current budget; look at the tests administered; consider a tax raise; and combine line items to create a Block Grant. She asked the committee to come prepared to make a decision.

Sen. Stephenson asked if there was anyone from the committee or the audience that have any other suggestions.

Sen. Morgan asked if the Co-Chairs could send the list to the committee by email. Rep. Newbold responded that she would.

#### 4. **Utah Education Network Overview**

Michael Peterson, Executive Director, Utah Education Network distributed a handout and was asked to make a presentation focused on the status of Network connectivity of elementary and charter schools. One of the challenges is that there are almost 300 elementary and charter schools that only have T-1 connectivity, which means that they can not do on-line testing, can not use technological rich instruction materials, and they can not use administrative tools that are standard today. Contracts are in place for 105 elementary and charter schools to be upgraded this year. There is no funding for 170 schools at a cost of \$2 million of one-time costs and \$1.5 million of on-going costs. About \$2 of federal revenue will be provided for each dollar of state money contributed. UEN would appreciate the committee's support to make this connectivity possible for these 170 schools.

Sen. Stephenson commented that this connectivity is not a nice to have, but a must have.

Rep. Menlove responded that it is especially critical for rural areas. She commented that it also helps teachers and students be more efficient by providing on-line classes and teachers and curriculum being shared.

Sen. Stephenson commented that this is a great equalizer. He has spoken with members in leadership about the possibility of rolling this into a bond, if there is a bond for Capital improvements this year. There are technicalities because of the ownership of funding, but is being considered. Mr. Peterson responded that he hopes that will happen and hopes that this does not have to wait until the economy is better. Sen. Stephenson asked if any of the Superintendents could respond to the potential saving of having all schools connected.

Rep. Newbold asked if both the ongoing and one-time funding comes through the Public Education Committee or is there funding from elsewhere. Mr. Peterson responded that typically it is funded through the Higher Education Committee, and comes from the Uniform School Fund. Rep. Newbold asked if the maintenance, or on-going is also paid through that committee. About \$15

million of UEN budget is circuit charges, and about two thirds of that come from the Federal Government, so about \$5 million is State funded.

Judy Park, Associate Superintendent, State Office of Education responded that there would be savings if testing could be done electronically. They spend a fair amount of money on printing, shipping, distribution, and having them scored. The idea of moving from direct writing to electronic writing also saves printing and distribution, and the human scoring. A great stumbling block for them at this time, are these schools that have the T-1 lines. Sen. Stephenson asked if she could put these numbers on paper for the committee. She responded that she would.

Sen. Stephenson responded that if this could be funded, the language may have to be changed. Mr. Peterson responded that the statutory language does not limit this to secondary schools and would not have to be changed.

5. **Other Business**

There was no other business.

**MOTION:** Rep. Gibson moved to adjourn.

The motion passed unanimously with Sens. Hillyard and Buttars, and Reps. Last, Lockhart and Riesen absent for the vote.

Co-Chair Stephenson adjourned the meeting at 4:28 p.m.

Minutes were reported by Karen C. Allred, Senate Secretary

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Sen. Howard A. Stephenson, Co-Chair

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Rep. Merlynn T. Newbold, Co-Chair